QUARTERLY REPORT

September 30, 2025

FARM CREDIT OF WESTERN KANSAS, ACA

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DISCLOSURE OF IMPACT OF BANK OPERATIONS ON SHAREHOLDERS' INVESTMENT IN THE ASSOCIATION

The shareholders' investment in Farm Credit of Western Kansas, ACA is materially affected by the financial condition and results of operations of CoBank, ACB (CoBank). The 2024 CoBank Annual Report to Shareholders and the CoBank Quarterly Shareholders' Reports are available free of charge by accessing CoBank's web site, www.cobank.com, or may be obtained at no charge by contacting us at:

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MANAGEMENT'S DISCUSSION AND ANALYSIS OF FINANCIAL CONDITION AND RESULTS OF OPERATIONS
(Unaudited)

The following discussion summarizes the financial position and results of operations of Farm Credit of Western Kansas, ACA (the Association) for the nine months ended September 30, 2025, with comparisons to prior periods. You should read these comments along with the accompanying financial statements and footnotes and the 2024 Annual Report to Shareholders. The accompanying financial statements were prepared under the oversight of our Audit Committee.

Our financial condition and profitability remain strong, with year-to-date net income exceeding budget and surpassing the same period last year. We distributed a $5.5 million patronage to borrowers in June 2025. Accrual loan volume increased 10.57% during the first nine months of the year, and average year-to-date accrual loan volume is 14.57% higher than the same period in 2024. Capital remains strong and continues to exceed regulatory guidelines. However, the pace of loan growth has begun to place downward pressure on capital levels. Credit quality remains stable.

Commodity prices have remained low since last year, continuing to compress margins for grain producers as input costs remain elevated. The 2025 renewal season revealed some additional stress within the portfolio, particularly among grain producers facing lower revenues and persistently high production expenses. In contrast, Cattle prices remain strong, helping sustain profitability within the livestock sector.

Weather conditions across the borrowing area have been varied. While parts of the region benefited from timely spring and summer rainfall, others experienced hailstorms, above-average temperatures, and persistent dryness. Wheat harvest yields were mixed. Pasture conditions have held up reasonably well, and the additional moisture has had a positive impact for fall crops.

The U.S. economy is seeing improvement in the third quarter of 2025 due to strong growth in real GDP carried over from the second quarter. Real GDP is projected to reach an annualized growth rate of 3.9% in the third quarter of 2025 largely due to positive trends in personal consumption expenditures, imports, and business investments. Additionally, a combination of stability in pricing for goods, government spending held under control, and tariffs not generating a significant increase in the cost of living contributed to the improved economic growth. The labor market remained relatively steady for the third quarter of 2025 at 4.3%; however, the uncertainty around the tariff policy and the deep cuts in government spending have affected the labor market and its outlook for 2025. In September, the Federal Reserve cut interest rates by 25 basis points, bringing the funds target range to 4.00% - 4.25%. Fed officials continue to project two more rate cuts through the end of the year as they try to mitigate the persistent inflationary pressures and labor market challenges. In 2025, farm income is anticipated to increase primarily because of direct government relief payments through the American Relief Act of 2025, as well as strong animal/animal product commodity prices. Farm production expenses are also expected to increase by 2.6% in comparison to 2024. Spending on feed, livestock and poultry, and labor are expected to represent the three largest categories of spending in 2025.

LOAN PORTFOLIO

Loans outstanding at September 30, 2025, totaled $587.5 million, an increase of $56.2 million, or 10.57%, from loans of $531.3 million at December 31, 2024. The increase was primarily due to increases of $39.2 million in real estate mortgage loans, $14.3 million in production and intermediate loans, $1.5 million in agribusiness loans, and $1.1 million in rural infrastructure loans primarily as a result of participations purchased.

RESULTS OF OPERATIONS

Net income for the nine months ended September 30, 2025, was $9.8 million, an increase of $1.2 million, or 13.36%, from the same period ended one year ago. The increase was primarily due to an increase in net interest income and noninterest income partially offset by increases in noninterest expense and provision for credit losses.

For the nine months ended September 30, 2025, net interest income was $12.8 million, an increase of $1.3 million, or 11.40%, compared with the nine months ended September 30, 2024. Net interest income increased as a result of an average increase in loan volume, partially offset by a decrease in net interest margin of 9 basis points.

The provision for credit losses for the nine months ended September 30, 2025, was $264 thousand, an increase of $149 thousand, from the provision for credit losses for the same period ended one year ago. The provision for credit losses increased primarily as a result of an increase in average loan volume as well as a decline in credit quality within the portfolio.

Noninterest income increased $180 thousand during the first nine months of 2025 compared with the first nine months of 2024 primarily due to an increase of $232 thousand in patronage from Farm Credit institutions, partially offset by a decrease of $71 thousand in loan fees. Patronage distribution from Farm Credit institutions increased in the first nine months ended September 30, 2025, primarily due to increased patronage from CoBank related to our direct note payable with CoBank. We received a refund of $90 thousand during the first nine months of 2025 from the Farm Credit System Insurance Corporation (FCSIC) compared with a refund of $122 thousand received in the same period ended one year ago. These represent our portion of excess funds above the secure base amount in the FCSIC Allocated Insurance Reserve Accounts.

Mineral income of $172 thousand was recognized during the first nine months of 2025, which is distributed quarterly from CoBank. The decrease for the nine months ended September 30, 2025, compared to the same period ended one year ago, is primarily due to lower oil and gas commodity prices paid on production.

During the first nine months of 2025, noninterest expense increased $186 thousand to $5.5 million, primarily due to increases in purchased services from AgVantis of $191 thousand and FCSIC premiums of $49 thousand, partially offset by decreases in other noninterest expense of $49 thousand and salaries and employee benefits of $10 thousand. Purchased services from AgVantis increased due to an increase in fees and technology transformation costs. FCSIC premiums increased due to an increase in average loan volume. Other noninterest expense primarily decreased due to a decrease in Foundations HR Consulting services of $76 thousand.

CAPITAL RESOURCES

Our shareholders' equity at September 30, 2025, was $127.8 million, an increase from $118.0 million at December 31, 2024. This increase is primarily due to net income.

The undersigned certify they have reviewed this report, this report has been prepared in accordance with all applicable statutory or regulatory requirements, and the information contained herein is true, accurate, and complete to the best of his or her knowledge and belief.

Mark A. Wood
Audit Committee Chairman
November 7, 2025

Jessica A. Vaughn
President/CEO
November 7, 2025

Christopher R. Halbleib
Chief Financial Officer
November 7, 2025

Consolidated Statement of Condition

(Dollars in Thousands)

	September 30 2025	December 31 2024
	UNAUDITED	AUDITED
ASSETS		
Loans	$ **587,485**	$ 531,318
Less allowance for loan losses	**1,441**	1,225
Net loans	**586,044**	530,093
Cash	**2,245**	2,840
Accrued interest receivable	**14,216**	10,917
Investment in CoBank, ACB	**11,869**	11,866
Premises and equipment, net	**2,804**	2,851
Prepaid benefit expense	**3,090**	3,142
Other assets	**3,018**	3,163
Total assets	$ **623,286**	$ 564,872
LIABILITIES		
Note payable to CoBank, ACB	$ **478,163**	$ 429,060
Advance conditional payments	**14,984**	9,241
Accrued interest payable	**859**	1,020
Patronage distributions payable	**30**	5,507
Accrued benefits liability	**73**	77
Reserve for unfunded commitments	**305**	257
Other liabilities	**1,083**	1,679
Total liabilities	$ **495,497**	$ 446,841
Commitments and Contingencies		
SHAREHOLDERS' EQUITY		
Capital stock	**722**	719
Unallocated retained earnings	**127,067**	117,312
Total shareholders' equity	**127,789**	118,031
Total liabilities and shareholders' equity	$ **623,286**	$ 564,872

The accompanying notes are an integral part of these consolidated financial statements.

Consolidated Statement of Comprehensive Income

(Dollars in Thousands)

	For the three months ended September 30		For the nine months ended September 30	
UNAUDITED	**2025**	2024	**2025**	2024
INTEREST INCOME				
Loans	**$ 8,903**	$ 7,687	**$ 25,288**	$ 22,080
Total interest income	**8,903**	7,687	**25,288**	22,080
INTEREST EXPENSE				
Note payable to CoBank, ACB	**4,463**	3,769	**12,386**	10,491
Other	**49**	44	**147**	139
Total interest expense	**4,512**	3,813	**12,533**	10,630
Net interest income	**4,391**	3,874	**12,755**	11,450
Provision for credit losses	**75**	14	**264**	115
Net interest income after provision for credit losses	**4,316**	3,860	**12,491**	11,335
NONINTEREST INCOME				
Financially related services income	**462**	465	**717**	693
Loan fees	**55**	70	**163**	234
Patronage distribution from Farm Credit institutions	**546**	451	**1,545**	1,313
Farm Credit Insurance Fund distribution	**-**	-	**90**	122
Mineral income	**45**	55	**172**	174
Other noninterest income	**11**	10	**47**	18
Total noninterest income	**1,119**	1,051	**2,734**	2,554
NONINTEREST EXPENSE				
Salaries and employee benefits	**966**	915	**2,499**	2,509
Occupancy and equipment	**59**	59	**180**	182
Purchased services from AgVantis, Inc.	**426**	362	**1,278**	1,087
Farm Credit Insurance Fund premium	**115**	93	**321**	272
Supervisory and examination costs	**42**	49	**152**	145
Other noninterest expense	**350**	357	**1,040**	1,089
Total noninterest expense	**1,958**	1,835	**5,470**	5,284
Net income/Comprehensive income	**3,477**	3,076	**9,755**	8,605

The accompanying notes are an integral part of these consolidated financial statements.

Consolidated Statement of Changes in Shareholders' Equity

(Dollars in Thousands)

UNAUDITED	Capital Stock	Unallocated Retained Earnings	Total Shareholders' Equity
Balance at December 31, 2023	$ 725	$ 111,181	$ 111,906
Comprehensive income		8,605	8,605
Stock issued	24		24
Stock retired	(33)		(33)
Balance at September 30, 2024	$ 716	$ 119,786	$ 120,502
Balance at December 31, 2024	$ 719	$ 117,312	$ 118,031
Comprehensive income		9,755	9,755
Stock issued	29		29
Stock retired	(26)		(26)
Balance at September 30, 2025	**$ 722**	**$ 127,067**	**$ 127,789**

The accompanying notes are an integral part of these consolidated financial statements.

NOTES TO FINANCIAL STATEMENTS
(Unaudited)

NOTE 1 - ORGANIZATION AND SIGNIFICANT ACCOUNTING POLICIES

A description of the organization and operations of Farm Credit of Western Kansas, ACA (the Association), the significant accounting policies followed, and the financial condition and results of operations as of and for the year ended December 31, 2024, are contained in the 2024 Annual Report to Shareholders. These unaudited third quarter 2025 financial statements should be read in conjunction with the 2024 Annual Report to Shareholders.

The accompanying unaudited financial statements have been prepared in accordance with U.S. generally accepted accounting principles (GAAP) for interim financial information. Certain disclosures included in the annual financial statements have been condensed or omitted from these financial statements as they are not required for interim financial statements under U.S. GAAP and the rules of the Farm Credit Administration (FCA). This report should be read in conjunction with the audited financial statements as of and for the year ended December 31, 2024, as contained in the 2024 Annual Report to Shareholders.

In the opinion of management, all adjustments, consisting of normal recurring adjustments necessary for a fair statement of results for the interim periods, have been made. The preparation of financial statements in accordance with GAAP requires management to make estimates and assumptions that affect the amounts reported in the financial statements and accompanying notes. Actual results could differ from those estimates. The results of operations for interim periods are not necessarily indicative of the results to be expected for the full year ending December 31, 2025. Descriptions of the significant accounting policies are included in the 2024 Annual Report to Shareholders. In the opinion of management, these policies and the presentation of the interim financial condition and results of operations conform with GAAP and prevailing practices within the banking industry.

Recently Issued or Adopted Accounting Pronouncements

Intangibles – Goodwill and Other – Internal-Use Software (Subtopic 350-40): Targeted Improvements to the Accounting for Internal-Use Software

In September 2025, the Financial Accounting Standards Board (FASB) issued Accounting Standards Update (ASU) 2025-06 Intangibles – Goodwill and Other – Internal-Use Software (Subtopic 350-40): Targeted Improvements to the Accounting for Internal-Use Software. The amendment introduces several key changes: (1) eliminates the stage-based rules for capitalization, (2) replaces these rules with a principles-based framework where capitalization occurs when management has authorized and committed to funding, and it is probable that the project will be completed and the software used as intended, (3) clarifies website developments costs and (4) modifies the disclosure requirements for capitalized software costs. The standard is effective for annual periods starting after December 15, 2027, with early adoption permitted as of the beginning of any annual reporting period. The Institution is currently assessing the potential impact of this amendment on its disclosures.

Financial Instruments – Credit Losses (Topic 326): Measurement of Credit Losses for Accounts Receivable and Contract Assets

In July 2025, the FASB issued Accounting Standards Update (ASU) 2025-05 Financial Instruments – Credit Losses – Measurement of Credit Losses for Accounts Receivable and Contract Assets. The amendments in this update provide (1) all entities with a practical expedient and (2) entities other than public business entities with an accounting policy election when estimating expected credit losses for current accounts receivables and current contract assets arising from transactions accounted for under Topic 606. The practical expedient would allow all entities when developing reasonable and supportable forecasts as part of estimating expected credit losses to assume that current conditions as of the balance sheet date do not change for the remaining life of the asset. The accounting policy election allows an entity to consider collection activity after the balance sheet date when estimating expected credit losses. The amendments will be effective for annual reporting periods beginning after December 15, 2025, and interim periods within those annual reporting periods under a prospective approach. Early adoption is permitted for interim or annual periods in which financial statements have not yet been issued. The adoption of this guidance is not expected to have a material impact on the Association's financial condition, results of operations, or cash flows.

Disaggregation of Income Statement Expenses (ASC 220)

In November 2024, the Financial Accounting Standards Board (FASB) issued Accounting Standards Update (ASU) 2024-03 Income Statement – Reporting Comprehensive Income – Expense Disaggregation Disclosures: Disaggregation of Income Statement Expenses. The amendments in this ASU apply to all public business entities and require disclosure of specified information about certain costs and expenses in the notes to financial statements. The amendments require that at each interim and annual reporting period an entity:

- Disclose the amounts of (a) purchases of inventory, (b) employee compensation, (c) depreciation, (d) intangible asset amortization, and (e) depreciation, depletion, and amortization recognized as part of oil and gas-producing activities (DD&A) (or other amounts of depletion expense) included in each relevant expense caption. A relevant expense caption is an expense caption presented on the face of the income statement within continuing operations that contains any of the expense categories listed in (a)-(e).
- Include certain amounts that are already required to be disclosed under current GAAP in the same disclosure as the other disaggregation requirements.
- Disclose a qualitative description of the amounts remaining in relevant expense captions that are not separately disaggregated quantitatively.
- Disclose the total amount of selling expenses and, in annual reporting periods, an entity's definition of selling expenses.

The amendments are effective for annual reporting periods beginning after December 15, 2026, and interim reporting periods beginning after December 15, 2027. Early adoption is permitted. The amendments should be applied either (1) prospectively to financial statements issued for reporting periods after the effective date of this ASU or (2) retrospectively to any or all prior periods presented in the financial statements. The Association is currently assessing the potential impact of this standard on its disclosures.

<u>Improvements to Income Tax Disclosures (ASC 740)</u>

In December 2023, FASB issued ASU 2023-09 – Income Taxes: Improvements to Income Tax Disclosures. The amendments in this standard require more transparency about income tax information through improvements to income tax disclosures primarily related to the rate reconciliation and income taxes paid information. The amendments require qualitative disclosure about specific categories of reconciling items and individual jurisdictions that result in a significant difference between the statutory tax rate and the effective tax rate. Income taxes paid will require disaggregated disclosure by federal, state, and foreign jurisdictions for amounts exceeding a quantitative threshold of greater than five percent of total income taxes paid. The amendments are effective for annual periods beginning after December 15, 2024. The adoption of this guidance is not expected to have a material impact on the Association's financial condition, results of operations, or cash flows, but will impact the income tax disclosures.

NOTE 2 - LOANS AND ALLOWANCE FOR CREDIT LOSSES

A summary of loans by type follows:

(dollars in thousands)	**September 30, 2025**	December 31, 2024
Real Estate Mortgage	**$ 372,587**	$ 333,362
Production and Intermediate-Term	**149,485**	135,165
Agribusiness	**40,751**	39,228
Rural Infrastructure	**20,530**	19,428
Agricultural Export Finance	**4,132**	4,135
Total loans	**$ 587,485**	$ 531,318

The Association purchases and sells participation interests with other parties in order to diversify risk, manage loan volume, and comply with Farm Credit Administration regulations. The following table presents information regarding the balances of participations purchased and sold at September 30, 2025:

	Other Farm Credit Institutions	
(dollars in thousands)	Purchased	Sold
Real Estate Mortgage	$ 37,106	$ 23,974
Production and Intermediate-Term	37,638	9,140
Agribusiness	40,070	682
Rural Infrastructure	20,530	-
Agricultural Export Finance	4,132	-
Total	$ 139,476	$ 33,796

Credit Quality

Credit risk arises from the potential inability of an obligor to meet its payment obligation and exists in our outstanding loans, letters of credit, and unfunded loan commitments. The Association manages credit risk associated with the retail lending activities through an analysis of the credit risk profile of an individual borrower using its own set of underwriting standards and lending policies, approved by its board of directors, which provides direction to its loan officers. The retail credit risk management process begins with an analysis of the borrower's credit history, repayment capacity, financial position, and collateral, which includes an analysis of credit scores for smaller loans. Repayment capacity focuses on the borrower's ability to repay the loan based on cash flows from operations or other sources of income, including off-farm income. Real estate mortgage loans must be secured by first liens on the real estate (collateral). As required by Farm Credit Administration regulations, each institution that makes loans on a secured basis must have collateral evaluation policies and procedures. Real estate mortgage loans may be made only in amounts up to 85% of the original appraised value of the property taken as security or up to 97% of the appraised value if guaranteed by a state, federal, or other governmental agency. The actual loan to appraised value when loans are made is generally lower than the statutory maximum percentage. Loans other than real estate mortgage may be made on a secured or unsecured basis.

The Association uses a two-dimensional risk rating model based on an internally generated combined System risk rating guidance that incorporates a 14-point probability of default rating scale to identify and track the probability of borrower default and a separate scale addressing loss given default. Probability of default is the probability that a borrower will experience a default during the twelve months. The loss given default is management's estimate as to the anticipated principal loss on a specific loan assuming default occurs. A default is considered to have occurred if the lender believes the borrower will not be able to pay its obligation in full or the borrower or the loan is classified nonaccrual. This credit risk rating process incorporates objective and subjective criteria to identify inherent strengths, weaknesses, and risks in a particular relationship. The institution reviews, at least on an annual basis, or when a credit action is taken, the probability of default category.

Each of the probability of default categories carries a distinct percentage of default probability. The probability of default rate between one and nine of the acceptable categories is very narrow and would reflect almost no default to a minimal default percentage. The probability of default rate grows more rapidly as a loan moves from acceptable to other assets especially mentioned and grows significantly as a loan moves to a substandard (viable) level. A substandard (non-viable) rating indicates that the probability of default is almost certain. These categories are defined as follows:

- Acceptable – assets are expected to be fully collectible and represent the highest quality.
- Other assets especially mentioned (OAEM) – assets are currently collectible but exhibit some potential weakness.
- Substandard – assets exhibit some serious weakness in repayment capacity, equity, and/or collateral pledged on the loan.
- Doubtful – assets exhibit similar weaknesses to substandard assets; however, doubtful assets have additional weaknesses in existing factors, conditions, and values that make collection in full highly questionable.
- Loss – assets are considered uncollectible.

The following table shows loans under the Farm Credit Administration Uniform Loan Classification System as a percentage of total loans by loan type as of:

	September 30, 2025	December 31, 2024
Real estate mortgage		
Acceptable	**98.66%**	98.76%
OAEM	**1.34%**	1.24%
Total	**100.00%**	100.00%
Production and intermediate-term		
Acceptable	**98.22%**	100.00%
OAEM	**1.78%**	-
Total	**100.00%**	100.00%
Agribusiness		
Acceptable	**96.00%**	94.29%
OAEM	**0.73%**	5.71%
Substandard	**3.27%**	-
Total	**100.00%**	100.00%
Rural infrastructure		
Acceptable	**80.57%**	86.24%
OAEM	**19.43%**	13.76%
Total	**100.00%**	100.00%
Agricultural export finance		
Acceptable	**100.00%**	100.00%
Total	**100.00%**	100.00%
Total Loans		
Acceptable	**97.74%**	98.30%
OAEM	**2.03%**	1.70%
Substandard	**0.23%**	-
Total	**100.00%**	100.00%

Accrued interest receivable of $14.2 million on loans at September 30, 2025 and $10.9 million at December 31, 2024 has been excluded from the amortized cost of loans and reported separately in the Consolidated Statement of Condition. The Association did not write off any accrued interest during the first nine months of 2025 or 2024.

Nonperforming assets consist of nonaccrual loans, accruing loans 90 days or more past due, and other property owned. The following table shows these nonperforming assets and related credit quality statistics as follows:

(dollars in thousands)	**September 30, 2025**	December 31, 2024
Nonaccrual loans		
Real Estate Mortgage	**$ 2**	$ 2
Total nonperforming assets	**$ 2**	$ 2
Nonperforming assets to total loans and other property owned	**<0.01%**	<0.01%
Nonperforming assets to total shareholders' equity	**<0.01%**	<0.01%

The Association had no accruing loans 90 days or more past due or other property owned for the periods presented.

The following table provides the amortized cost for nonaccrual loans with and without a related allowance for loan losses, as well as interest income recognized on nonaccrual loans during the period:

(dollars in thousands)	**September 30, 2025**	December 31, 2024
Nonaccrual loan volume with related allowance for loan losses	**$ -**	$ -
Nonaccrual loan volume without related allowance for loan losses	**2**	2
Total nonaccrual loans	**$ 2**	$ 2

The following tables provide an age analysis of past due loans at amortized cost.

	September 30, 2025					
(dollars in thousands)	30-89 Days Past Due	90 Days or More Past Due	Total Past Due	Not Past Due or Less Than 30 Days Past Due	Total Loans	90 Days or More Past Due and Accruing
Real Estate Mortgage	$ -	$ -	$ -	$ 372,587	$ 372,587	$ -
Production and Intermediate-Term	-	-	-	149,485	149,485	-
Agribusiness	-	-	-	40,751	40,751	-
Rural Infrastructure	-	-	-	20,530	20,530	-
Agricultural Export Finance	-	-	-	4,132	4,132	-
Total	$ -	$ -	$ -	$ 587,485	$ 587,485	$ -

	December 31, 2024					
(dollars in thousands)	30-89 Days Past Due	90 Days or More Past Due	Total Past Due	Not Past Due or Less Than 30 Days Past Due	Total Loans	90 Days or More Past Due and Accruing
Real Estate Mortgage	$ 2,103	$ -	$ 2,103	$ 331,259	$ 333,362	$ -
Production and Intermediate-Term	745	-	745	134,420	135,165	-
Agribusiness	1,247	-	1,247	37,981	39,228	-
Rural Infrastructure	-	-	-	19,428	19,428	-
Agricultural Export Finance	-	-	-	4,135	4,135	-
Total	$ 4,095	$ -	$ 4,095	$ 527,223	$ 531,318	$ -

Loan Modifications to Borrowers Experiencing Financial Difficulty

The following table shows the amortized cost basis at the end of the respective reporting periods for loan modifications granted to borrowers experiencing financial difficulty, disaggregated by loan type and type of modification granted.

The Association granted no loan modifications to borrowers experiencing financial difficulty during the nine-month period ended September 30, 2025.

	Term Extension			
	For the Three Months Ended		For the Nine Months Ended	
(dollars in thousands)	September 30, 2024	% of Portfolio Segment	September 30, 2024	% of Portfolio Segment
Agribusiness	$ 779	2.31%	$ 779	2.31%
Total	$ 779		$ 779	

Accrued interest receivable related to loan modifications granted to borrowers experiencing financial difficulty was $5 thousand as of the three months and nine months ended September 30, 2024.

The following table describes the financial effect of the modifications made to borrowers experiencing financial difficulty during the periods presented:

	Weighted-Average Term Extension (in months)			
	For the Three Months Ended September 30		For the Nine Months Ended September 30	
	2025	2024	**2025**	2024
Agribusiness	**-**	13.5	**-**	13.5

There were no loans to borrowers experiencing financial difficulty that defaulted during the nine months ended September 30, 2025 or September 30, 2024 which were modified during the twelve months prior to those periods.

The following tables set forth an aging analysis of loans to borrowers experiencing financial difficulty that were modified during the periods presented:

	Payment Status of Modified Loans		
	During the Past Twelve Months Ended September 30, 2025		
(dollars in thousands)	Current	30-89 Days Past Due	90 Days or More Past Due
Agribusiness	$ 297	$ -	$ -
Total	$ 297	$ -	$ -

	Payment Status of Modified Loans		
	During the Past Twelve Months Ended September 30, 2024		
(dollars in thousands)	Current	30-89 Days Past Due	90 Days or More Past Due
Agribusiness	$ 779	$ -	$ -
Total	$ 779	$ -	$ -

Additional commitments to lend to borrowers experiencing financial difficulty whose loans have been modified during the year ended December 31, 2024 were $966 thousand.

The Association had no loans held for sale at September 30, 2025 and December 31, 2024.

Allowance for Credit Losses

The allowance for credit losses (ACL) represents the estimated current expected credit losses over the remaining contractual life of the loans measured at amortized cost and certain off-balance sheet credit exposures. The ACL takes into consideration relevant information about past events, current conditions, and reasonable and supportable macroeconomic forecasts of future conditions. The contractual term excludes expected extensions, renewals, and modifications. The Association uses a single economic scenario over a reasonable and supportable forecast period of 12 months. Subsequent to the forecast period, the Association explicitly reverts to long run historical loss experience beyond the 12 months to inform the estimate of losses for the remaining contractual life of the loan portfolio. The economic forecasts are updated on a quarterly basis and incorporate macroeconomic variables such as agricultural commodity prices, unemployment rates, Gross Domestic Product (GDP) annual growth rates, government spending to GDP, real consumer spending, United States exports, inflation, and Fed Funds rates.

The credit risk rating methodology is a key component of the Association’s allowance for credit losses evaluation and is generally incorporated into the Association’s loan underwriting standards and internal lending limits. In addition, borrower and commodity concentration lending and leasing limits have been established by the Association to manage credit exposure. The regulatory limit to a single borrower or lessee is 15% of the Association’s lending and leasing limit base but the Association’s board of directors has generally established more restrictive lending limits. This limit applies to Associations with long-term and short- and intermediate-term lending authorities.

A summary of changes in the allowance for loan losses is as follows:

(dollars in thousands)	Balance at June 30, 2025	Charge-offs	Recoveries	Provision for Loan Losses	Balance at September 30, 2025
Real estate mortgage	$ 898	$ -	$ -	$ 23	$ 921
Production and intermediate-term	328	-	-	2	330
Agribusiness	49	-	-	1	50
Rural infrastructure	96	-	-	42	138
Agricultural export finance	2	-	-	-	2
Total	$ 1,373	$ -	$ -	$ 68	$ 1,441

(dollars in thousands)	Balance at December 31, 2024	Charge-offs	Recoveries	Provision for Loan Losses	Balance at September 30, 2025
Real estate mortgage	$ 820	$ -	$ -	$ 101	$ 921
Production and intermediate-term	293	-	-	37	330
Agribusiness	12	-	-	38	50
Rural infrastructure	99	-	-	39	138
Agricultural export finance	1	-	-	1	2
Total	$ 1,225	$ -	$ -	$ 216	$ 1,441

(dollars in thousands)	Balance at June 30, 2024	Charge-offs	Recoveries	Provision for Loan Losses/ (Loan Loss Reversals)	Balance at September 30, 2024
Real estate mortgage	$ 810	$ -	$ -	$ 6	$ 816
Production and intermediate-term	255	-	-	20	275
Agribusiness	13	-	-	1	14
Rural infrastructure	149	-	-	(14)	135
Agricultural export finance	2	-	-	(1)	1
Total	$ 1,229	$ -	$ -	$ 12	$ 1,241

(dollars in thousands)	Balance at December 31, 2023	Charge-offs	Recoveries	Provision for Loan Losses/ (Loan Loss Reversals)	Balance at September 30, 2024
Real estate mortgage	$ 809	$ -	$ -	$ 7	$ 816
Production and intermediate-term	182	-	-	93	275
Agribusiness	2	-	2	10	14
Rural infrastructure	172	-	-	(37)	135
Agricultural export finance	-	-	-	1	1
Total	$ 1,165	$ -	$ 2	$ 74	$ 1,241

The Association maintains a separate reserve for unfunded commitments, which is included in Liabilities on the Association's Consolidated Statement of Condition. The related provision for the reserve for unfunded commitments is included as part of the provision for credit losses on the Consolidated Statement of Comprehensive Income, along with the provision for loan losses. A summary of changes in the reserve for unfunded commitments follows:

(dollars in thousands)	**For the Three Months Ended September 30, 2025**	**For the Nine Months Ended September 30, 2025**
Balance at beginning of period	$ 298	$ 257
Provision for reserve for unfunded commitments	7	48
Total	$ 305	$ 305

(dollars in thousands)	For the Three Months Ended September 30, 2024	For the Nine Months Ended September 30, 2024
Balance at beginning of period	$ 256	$ 217
Provision for reserve for unfunded commitments	2	41
Total	$ 258	$ 258

NOTE 3 – CAPITAL

A summary of select capital ratios based on a three-month average and minimums set by the Farm Credit Administration follows.

	As of September 30, 2025	As of December 31, 2024	Regulatory Minimums	Capital Conservation Buffer	Total
Risk Adjusted:					
Common equity tier 1 ratio	**17.95%**	19.23%	4.5%	2.5%	7.0%
Tier 1 capital ratio	**17.95%**	19.23%	6.0%	2.5%	8.5%
Total capital ratio	**18.22%**	19.49%	8.0%	2.5%	10.5%
Permanent capital ratio	**17.99%**	19.27%	7.0%	-	7.0%
Non-risk-adjusted:					
Tier 1 leverage ratio	**18.66%**	20.05%	4.0%	1.0%	5.0%
Unallocated retained earnings and equivalents leverage ratio	**18.54%**	19.91%	1.5%	-	1.5%

If capital ratios fall below the regulatory minimum plus buffer amounts, capital distributions (equity redemptions, cash dividend payments, and cash patronage payments) and discretionary senior executive bonuses are restricted or prohibited without prior FCA approval.

NOTE 4 - SUBSEQUENT EVENTS

The Association has evaluated subsequent events through November 7, 2025, which is the date the financial statements were issued, and no material subsequent events were identified.